

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

CODE OF VIRGINIA  
§ 45.1-361.26

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**RELIEF SOUGHT:** An Order for Disbursement of Escrowed Funds  
(and Authorization for Direct Payment of Royalties)

**JURISDICTION:** Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: VC-550453

TRACT(S): 1, 3, 7

LOCATION: DICKENSON County, Virginia

**TAX ID NUMBERS:** Tax Map Identification Numbers for all parcels affected by this order are shown on: Exhibit B

**DOCKET NUMBER:** VGOB-09-0616-2535-02

**APPLICANTS:** EQT Production Company on behalf of Pauline McCoy - Gas Estate

**HEARING DATE AND LOCATION:** Russell County Government Center, Lebanon, Virginia  
August 21, 2012

**APPEARANCES:** James Kaiser on behalf of EQT Production Company

**PRIOR PROCEEDINGS:**

1. Original Pooling Order Executed 08/31/2009, Recorded on 09/28/2009, Deed Book/Instrument No. 471, Page 146.
2. Disbursement Order -01 Executed 05/31/2012, Recorded on 07/11/2012, Deed Book/Instrument No. 498, Page 655.

**NOTICE:**

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the August 21, 2012 hearing and considered whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1, 3, 7 identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1, 3, 7 relative to the interests of the Applicants identified in the attached petition.

(3) Continue the escrow account under this docket number.

**FINDINGS:**

Code of Virginia § 45.1-361.22

Applicant has certified and represented to the Board that:

EQT Production was named Operator of the referenced unit by Board Order VGOB 09/06/16-2535. Range Resources-Pine Mountain, Inc. was a conflicting claimant with Pauline McCoy with regard to Tracts 1, 3, and 7. Royalty payments were put in the escrow account established by the Escrow Agent. To resolve this conflict, a Letter dated June 25, 2012, signed by Phil Horn, Land Manager for Range Resources-Pine Mountain, Inc. waived any claims to past or to future royalties attributable to their conflicting interest in the referenced well with regard to Pauline McCoy in Tracts 1, 3, and 7; attached hereto as a Miscellaneous Exhibit. Said royalty agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE and Exhibit A-1 annexed hereto, and the Exhibits further specifies how said royalties are to be divided and paid.

**RELIEF GRANTED:**

### VGOB Disbursement

Unit VC-550453

VG0B-09-0616-2535-02

Table 1

Tracts: 1, 3, 7

VGOB Disbursement			Fractional	Net Acreage	Royalty	Escrowed	Percent of
Unit VC-550453			Ownership	Ownership	Split	Acres	Escrowed Funds
VGOB-09-0616-2535-02			in Tract	inTract	Agreement	Disbursed	Disbursed
Table 1							
Tracts: 1, 3, 7							
Item	Tract	Disbursement Table					
		Total acreage in escrow before disbursement				23.15000	
1 Tract 1 (total acreage)			15.77				
1	1	Pauline McCoy \ P.O. Box 119, Coeburn, VA 24230	1/1	15.7700	100.00%	15.7700	68.1210%
3 Tract 3 (total acreage)			1.39				
1	3	Pauline McCoy \ P.O. Box 119, Coeburn, VA 24230	1/1	1.3900	100.00%	1.3900	6.0043%

7		Tract 7 (total acreage)	0.62			
1	7	Pauline McCoy \ P.O. Box 119, Coeburn, VA 24230	1/1	0.6200	100.00%	2.6782%

**1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.**

**2. The Escrow Agent is ordered to continue the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.**

**CONCLUSION:**

Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

**APPEALS:**

Appeals of this Order are governed by the provisions of the Code of Virginia § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

DONE AND EXECUTED this 25 day of April, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert


DONE AND PERFORMED this 25 day of April, 2013 by Order of the Virginia Gas and Oil Board.



Rick Cooper  
Principal Executive to the  
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 25<sup>th</sup> day of April, 2013, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.



Diane J. Davis, Notary Public  
174394



My Commission expires: September 30, 2013





BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: EQT Production Company

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 09-0616-2535-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM  
ESCROW REGARDING TRACT(S) 1, 3, 7  
(2) AND AUTHORIZATION FOR DIRECT  
PAYMENT OF ROYALTIES

HEARING DATE: August 21, 2012

DRILLING UNIT: VC-550453

DICKENSON COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

**1. Petitioner and its counsel**

Petitioner is EQT Production Company, 225 North Shore Drive, Pittsburgh, PA 15212, (412)553-5700. Petitioner's counsel is James Kaiser, Wilhoit and Kaiser Law Firm, 220 Broad Street, Suite 210, Kingsport, TN 37660.

**2. Relief Sought**

On behalf of EQT by DGO - A petition from EQT Production Company for the disbursement of funds from escrow regarding Tracts 1, 3, and 7 to Pauline McCoy, Unit VC-550453, Kenady District, Caney Ridge Quadrangle, Dickenson County, Virginia.

**3. Legal Authority**

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

**4. Type of Well(s)**

Coalbed Methane

**5. Factual basis for relief requested**

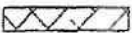
EQT Production was named Operator of the referenced unit by Board Order VGOB 09/06/16-2535. Range Resources-Pine Mountain, Inc. was a conflicting claimant with Pauline McCoy with regard to Tracts 1, 3, and 7. Royalty payments were put in the escrow account established by the Escrow Agent. To resolve this conflict, a Letter dated June 25, 2012, signed by Phil Horn, Land Manager for Range Resources-Pine Mountain, Inc. waived any claims to past or to future royalties attributable to their conflicting interest in the referenced well with regard to Pauline McCoy in Tracts 1, 3, and 7; attached hereto as a Miscellaneous Exhibit. Said royalty agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE and Exhibit A-1 annexed hereto, and the Exhibits further specifies how said royalties are to be divided and paid.

**6. Attestation**

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

11937'

LATITUDE 37°02'30"

- DENOTES MINERAL LINE  
 - - - DENOTES SURFACE LINE  
 --- DENOTES SURFACE & MINERAL LINES  
 DENOTES DMLR PERMIT #1101897

TOTAL UNIT AREA  
= 58.82 ACRES

LONGITUDE 82°22'30"  
1753'

GRID

CCC COORDINATES  
OF WELL VC-550453  
S 22972.69  
W 9476.4

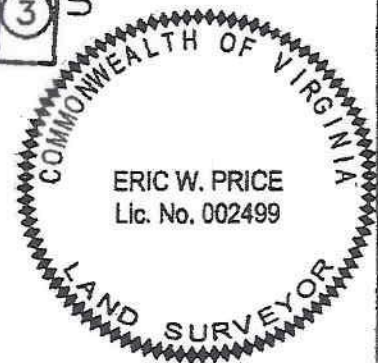
STATE PLANE  
NAD 27 COORDINATES  
OF WELL VC-550453  
N 279840.82  
E 857316.23  
LAT 37.036855  
LON -82.415932  
NAD 83 COORDINATES  
N 3560716.30  
E 10340299.98

Lease No. 242430L  
BARBARA SILVERBERG  
82.24 ACRES  
QUENTIN MCCOY - Surface  
BARBARA SILVERBERG, et al  
- Coal, Gas, Oil & CBM  
GAS 0.00 AC. - 0.0%

COORDINATES OF  
BENCH MARK  
N 3504914.8125  
E 10370404.8448  
ELEV. = 1753.40

NOTE !!!  
WELL COORDINATES ARE BASED ON STATE PLANE  
NAD 83 COORDINATE SYSTEM.  
PROPERTY INFORMATION PROVIDED BY EQUITABLE  
PRODUCTION COMPANY.  
ELEVATIONS ARE BASED ON NGS CONTROL ST. PAUL 2.

**NOTE !! SEE WELL PLAT  
SUPPLEMENT SHEET 2 FOR  
TRACT INFORMATION.**



## WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-550453(BP-31)

TRACT No. LEASE NO. 241586 ELEVATION 2241.80 (GPS) QUADRANGLE CANEY RIDGE

COUNTY DICKENSON DISTRICT KENADY SCALE: 1" = 400' DATE MARCH 10, 2009

THIS PLAT IS A NEW PLAT x; AN UPDATED PLAT   ; OR A FINAL LOCATION PLAT   

PROPOSED TOTAL DEPTH OF WELL =           

+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO 24,000, LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

*Eric R*

3-10-09

(AFFIX SEAL)

T&L

LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR



①

Lease No. 241581  
 PAULINE MCCOY  
 ±33.00 ACRES  
 PAULINE MCCOY - Surface, Gas, Oil (CBM)  
 Lease No. 906889 / TC-158  
 A.W. HALE  
 141.72 ACRES  
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND  
 & RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal  
 RANGE RESOURCES-PINE MOUNTAIN, INC. - (CBM)  
 GAS 15.77 AC. - 26.81%

②

Lease No. 909706  
 QUENTIN M. MCCOY  
 32.00 ACRES  
 QUENTIN M. MCCOY - Surface, Gas, Oil (CBM)  
 Lease No. 906889 / TC-158  
 A.W. HALE  
 141.72 ACRES  
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND &  
 RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal  
 RANGE RESOURCES-PINE MOUNTAIN, INC. - (CBM)  
 GAS 13.32 AC. - 22.65%

③

Lease No. 241581  
 PAULINE MCCOY  
 19.00 ACRES  
 PAULINE MCCOY - Surface, Gas, Oil (CBM)  
 Lease No. 906889 / TC-158  
 A.W. HALE  
 141.72 ACRES  
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND  
 & RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal  
 RANGE RESOURCES-PINE MOUNTAIN, INC. - (CBM)  
 GAS 1.39 AC. - 2.36%

④

Lease No. 906889 / T-56  
 A.W. HALE  
 96.47 ACRES  
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND &  
 RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal  
 RANGE RESOURCES-PINE MOUNTAIN, INC. - Oil, Gas & CBM  
 GAS 22.29 AC. - 37.90%

⑤

Lease No. 906889 / T-683  
 H.B. STALLARD  
 58.0 ACRES  
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND &  
 RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal  
 RANGE RESOURCES-PINE MOUNTAIN, INC. - Oil, Gas & CBM  
 GAS 0.06 AC. - 0.10%

⑥

Unleased  
 NANCY A. HALE HEIRS - Oil, Gas (CBM)  
 8.2 ACRES & 6.8 ACRES  
 Lease No. 906889 / TC-158  
 A.W. HALE  
 141.72 ACRES  
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND  
 & RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal  
 RANGE RESOURCES-PINE MOUNTAIN, INC. - (CBM)  
 GAS 5.37 AC. - 9.13%

⑦

Lease No. 241581  
 PAULINE MCCOY - Gas & Oil (CBM)  
 10.125 ACRES  
 Lease No. 906889 / TC-158  
 A.W. HALE  
 141.72 ACRES  
 DICKENSON-RUSSELL COAL COMPANY, LLC/ALPHA LAND  
 & RESERVES, LLC/ACIN, LLC/WBRD, LLC - Coal  
 RANGE RESOURCES-PINE MOUNTAIN, INC. - (CBM)  
 GAS 0.62 AC. - 1.05%



THOMPSON &amp; LITTON

312 Clintwood Main Street  
 Suite 201  
 P.O. Box 1869  
 Clintwood, Virginia 24228

**EQUITABLE PRODUCTION COMPANY**  
**WELL No. VC-550453**  
**WELL PLAT SUPPLEMENT**  
**SHEET 2**

PROJECT No.:  
 10254 PLAT

SCALE: 1" = 400'

DATE: APRIL 1, 2009





**EXHIBIT "B"**  
**VC-550453**  
**VGOB - 09/06/16-2535**

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Gas Estate Only</u>						
1	Pauline McCoy 9074 Dr. Ralph Stanley Hwy. Coeburn, VA 24230 Tax I.D. 5029	Leased 241581	26.810000%	15.7700	0.03351250	RI
	Equitable Production Company				0.23458750	WI
<u>Tract 1 Totals</u>			<u>26.810000%</u>	<u>15.7700</u>	<u>0.26810000</u>	
2	Quentin M. McCoy  St. Paul, VA 24283 Tax I.D. 5011	Leased 909705	22.650000%	13.3200	0.02831250	RI
	Equitable Production Company				0.19818750	WI
<u>Tract 2 Totals</u>			<u>22.650000%</u>	<u>13.3200</u>	<u>0.22650000</u>	
3	Pauline McCoy 9074 Dr. Ralph Stanley Hwy Coeburn, VA 24230 Tax I.D. 5028	Leased 241581	2.360000%	1.3900	0.00295000	RI
	Equitable Production Company				0.02065000	WI
<u>Tract 3 Totals</u>			<u>2.360000%</u>	<u>1.3900</u>	<u>0.02360000</u>	
4	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212 Tax I.D. 20665	Leased 306889/T-56	37.900000%	22.2900	0.04737500	RI
	Equitable Production Company				0.33162500	WI
<u>Tract 4 Totals</u>			<u>37.900000%</u>	<u>22.2900</u>	<u>0.37900000</u>	
5	Range Resources-Pine Mountain, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. 20221	Leased 06889/T-683	0.100000%	0.0600	0.00012500	RI
	Equitable Production Company				0.00087500	WI
-			<u>0.100000%</u>	<u>0.0600</u>	<u>0.00100000</u>	
6	Nancy A. Hale Heirs (Unknown / Unlocatable)	Unleased	9.130000%	5.3700	0.01141250	RI
	Equitable Production Company				0.07988750	WI
<u>Tract 6 Totals</u>			<u>9.130000%</u>	<u>5.3700</u>	<u>0.09130000</u>	

7	Pauline McCoy 9074 Dr. Ralph Stanley Hwy. Coeburn, VA 24230 Tax I.D. 5029	Leased 241581	1.050000%	0.6200		RI
	Equitable Production Company				0.00918750	WI
<b>Tract 7 Totals</b>			<u>1.050000%</u>	<u>0.6200</u>	<u>0.00918750</u>	
	<b>TOTAL GAS ESTATE</b>		<b>100.000000%</b>	<b>58.8200</b>	<b>0.99868750</b>	

Percentage of Unit Leased 90.870000%  
 Percentage of Unit Unleased 9.130000%

Acreage in Unit Leased 53.4500  
 Acreage in Unit Unleased 5.3700

Coal Estate Only

1	Range Resources-Pine Mountain, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. Coal Only	Leased 16889/TC-158	26.810000%	15.7700	0.03351250	RI
	Equitable Production Company				0.23458750	WI
<b>Tract 1 Totals</b>			<u>26.810000%</u>	<u>15.7700</u>	<u>0.26810000</u>	
2	Range Resources-Pine Mountain, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. Coal Only	Leased 16889/TC-158	22.650000%	13.3200	0.02831250	RI
	Equitable Production Company				0.19818750	WI
<b>Tract 2 Totals</b>			<u>22.650000%</u>	<u>13.3200</u>	<u>0.22650000</u>	
3	Range Resources-Pine Mountain, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. Coal Only	Leased 16889/TC-158	2.360000%	1.3900	0.00295000	RI
	Equitable Production Company				0.02065000	WI
<b>Tract 3 Totals</b>			<u>2.360000%</u>	<u>1.3900</u>	<u>0.02360000</u>	
4	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. 20665	Leased 106889/T-56	37.900000%	22.2900	0.04737500	RI
	Equitable Production Company				0.33162500	WI
<b>Tract 4 Totals</b>			<u>37.900000%</u>	<u>22.2900</u>	<u>0.37900000</u>	

5	Range Resources-Pine Mountain, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. 20221	Leased 06889/T-683	0.100000%	0.0600	0.00012500	RI
	Equitable Production Company				0.00087500	WI
<u>Tract 5 Totals</u>			0.100000%	0.0600	0.00100000	
6	Range Resources-Pine Mountain, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. Coal Only	Leased 06889/TC-158				
			9.130000%	5.3700	0.01141250	RI
	Equitable Production Company				0.07988750	WI
<u>Tract 6 Totals</u>			9.130000%	5.3700	0.09130000	
7	Range Resources-Pine Mountain, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. Coal Only	Leased 06889/TC-158	1.050000%	0.6200	0.00131250	RI
	Equitable Production Company				0.00918750	WI
<u>Tract 7 Totals</u>			1.050000%	0.62	0.01050000	
	<b>TOTAL COAL ESTATE</b>		100.000000%	58.82	1.00000000	

Percentage of Unit Leased                   #####  
Percentage of Unit Unleased               #####

Acreage in Unit Leased                   58.8200  
Acreage in Unit Unleased               0.0000



**EXHIBIT "E"****VC-550453**

Revised 02/16/2012

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
6	Nancy A. Hale Heirs (Unknown / Unlocatable)	Unleased	9.130000%	5.3700
<b>TOTAL</b>				<b>5.3700</b>

Coal Estate Only

6	Range Resources-Pine Mountain, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. Coal Only	Leased 16889/TC-158	9.130000%	5.3700
<b>TOTAL</b>				<b>5.3700</b>

## EXHIBIT "EE"

VC-550453

2/16/2012

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
Disbursement - 01				
<u>Gas Estate Only</u>				
2	Quentin M. McCoy 1388 Sandy Ridge Road St. Paul, VA 24283 Tax. I.D. 5011	Leased 909706	22.650000%	13.3200
Total Subsequent to RR-PM Waiver			22.650000%	13.3200
<u>Coal Estate Only</u>				
2	Range Resources-Pine M Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. Coal Only	Leased 06889/TC-158	0.000000%	0.0000
Total Subsequent to RR-PM Waiver			0.000000%	0.0000

Disbursement - 02

Gas Estate Only

1	Pauline McCoy P. O. Box 119 Coeburn, VA 24230 Tax I.D. 5029	Leased 241581	26.810000%	15.7700
3	Pauline McCoy P. O. Box 119 Coeburn, VA 24230 Tax I.D. 5028	Leased 241581	2.360000%	1.3900
7	Pauline McCoy P. O. Box 119 Coeburn, VA 24230 Tax I.D. 5029	Leased 241581	1.050000%	0.6200
<b>Total Subsequent to RR-PM Waiver</b>			<b>30.220000%</b>	<b>17.7800</b>

Coal Estate Only

1	Range Resources-Pine M Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. Coal Only	Leased 06889/TC-158	0.000000%	0.0000
3	Range Resources-Pine M Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. Coal Only	Leased 06889/TC-158	0.000000%	0.0000
7	Range Resources-Pine M Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212 Tax I.D. Coal Only	Leased 06889/TC-158	0.000000%	0.0000
<b>Total Subsequent to RR-PM Waiver</b>			<b>0.000000%</b>	<b>0.0000</b>



\$24  
Dick

BN 507PG 389

INSTRUMENT #130000704  
RECORDED IN THE CLERK'S OFFICE OF  
CLICKENSUM ON  
MAY 10, 2013 AT 10:20AM  
RICHARD W. EDWARDS: CLERK  
RECORDED BY: CUF